



DEAN C. LOGAN
Registrar-Recorder/County Clerk



Los Angeles County Registrar-Recorder/County Clerk

November 12, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL TO AMEND THE RESOLUTION RELATED TO
THE REAL ESTATE FRAUD NOTIFICATION SERVICES PROGRAM
PURSUANT TO SENATE BILL 827
(ALL SUPERVISORIAL DISTRICTS) (3VOTES)**

SUBJECT

As a result of the passage of Senate Bill 827 (SB 827), the Registrar-Recorder/County Clerk (RR/CC) is requesting that your Board approve an amended resolution to revise the timeframe for notifying the party or parties subject to a Notice of Default and Notice of Sale recordings from twenty (20) days to fourteen (14) days and revise the sunset clause from January 1, 2015 to January 1, 2020. There are no changes to the current fee of seven dollars (\$7.00) for the recording of Deeds, Quitclaim Deeds, Deeds of Trust, Notices of Default or Notices of Sale.

IT IS RECOMMENDED THAT THE BOARD:

Approve the attached amended resolution (Attachment) adjusting the timeframe to mail notices to a party or parties subject to a Notice of Default or Notice of Sale including the occupants of that property, revise the sunset clause, and authorize the continued mailing of notices to a party or parties subject to a Notice of Default or Notice of Sale within a specific timeframe under the law.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to implement SB 827. This bill supersedes SB 62, amends the sunset clause in Government Code sections 27297.6 and 27387.1(C) until January 1, 2020, and modifies the existing Real Estate Fraud Notification Program to allow Notices of Default or

Notices of Sale to be sent by mail to a party or parties, including the occupants of that property, within five (5) days, but in any event no more than fourteen (14) days, of recordation. This change will remain effective until January 1, 2020, at which time it will sunset and the original law providing notice to parties executing Deeds, Quitclaim Deeds, and Deeds of Trust again becomes operative. The County will continue to be authorized to contract for this service pursuant to Government Code section 27297.6(d) through January 1, 2020. The law regarding mailing notices of recorded Deeds, Quitclaim Deeds, or Deeds of Trust within thirty (30) days of their recordation to parties executing such documents remains unchanged.

Implementation of Strategic Plan Goals

Goal No. 1: Operational Effectiveness: Maximize the effectiveness of processes, structure, and operations to support the timely delivery of customer-oriented and efficient public services.

Goal No. 3: Integrated Services Delivery: Maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

There is no change to the current fee of seven dollars (\$7.00) for the recording of deeds, quitclaim deeds, or deeds of trust, notices of default or sale. The fee is distributed as follows: the contractor will continue to receive its unit price of \$3.39 for mailing notifications, the RR/CC will collect its incurred administrative cost of \$0.65, and the remaining balance of \$2.96 is allocated to the Department of Consumer Affairs (DCA) to provide information, counseling, and assistance to owners or occupants who receive these notifications pursuant to the Real Estate Fraud Notification Services Program.

The fee distribution is structured and based off of the RR/CC's contractual obligation for mailing services, existing legislation (SB62/SB827), and programmatic requirements for DCA. However, any fluctuation in the cost of mailing will require the distributions to DCA to change. There is no impact on the County General Fund or fiscal impact to RR/CC's budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 24, 2013, your Board adopted the resolution authorizing, after public hearing and adoption of the new fee of \$7.00, RR/CC to mail notices to parties subject to notices of default and sale, in addition to the existing notifications which are mailed for related real estate documents. The adopted resolution imposed the new fees, pursuant to Government Code section 27297.6(e). At the same time, Government Code section 27387.1 authorizes RR/CC to collect a fee not to exceed \$7.00 for recorded deeds, quitclaim deeds, deeds of trust, notices of default or notices of sale to cover mailing costs, administrative costs, and the actual cost of providing information, counseling, and assistance.

Government Code section 27297.6 continues to allow the County to contract for mail notification services for these documents. Your Board's approval will allow the RR/CC to continue to provide the current Real Estate Fraud Notification Services Program with a revised timeframe for mailing notice of default and sale recordings as required by law through the new sunset date of January 1, 2020.

Pursuant to the existing contract, the RR/CC will continue to contract with Corelogic to provide this service, as it has historically. The initial term of the Agreement with Corelogic was effective October 25, 2007 through October 24, 2012 (Amendment #2 includes the revised Agreement term based on the contract extension/cost reduction initiative) with three (3) optional one-year extensions. The Agreement is, currently, in its final-option year which will expire October 24, 2015. The Agreement's final term, after the six (6) month-to-month extensions to the Agreement if exercised, will expire April 24, 2016.

Additionally, the RR/CC will update the Memorandum of Understanding with DCA to revise the sunset date to January 1, 2020 as well as the timeframe for notifying the party or parties subject to a notice of default and notice of sale recordings in accordance with SB 827. DCA will continue to provide the same information, assistance, and counseling as before in exchange for its portion of the fee in the amount of \$2.96.

The Chief Executive Office has reviewed and approved this Board letter. County Counsel has reviewed and approved this Board letter and resolution.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The modification to the resolution and ordinance will not impact current services provided by the RR/CC and DCA.

CONCLUSION

Upon approval by your Board, the Executive Officer is requested to return one (1) adopted copy of this letter to each of the following addresses:

Department of Registrar-Recorder/County Clerk
Finance and Management Division
12400 Imperial Highway, Suite 7201
Norwalk, CA 90650
Attention: Francisco E. Perez, Contracts Section

And

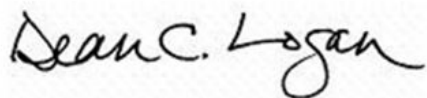
Department of Consumer Affairs
500 W. Temple Street, Room B-96
Los Angeles, CA 90012
Attention: Wendy Myring

The Honorable Board of Supervisors

11/12/2014


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Respectfully submitted,



DEAN C. LOGAN

Registrar-Recorder/County Clerk



BRIAN J. STIGER

Director

DCL:RF

FP:co

Enclosures

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisor
Department of Consumer Affairs

AUTHORIZING RESOLUTION FOR NOTICE OF RECORDED DOCUMENTS

WHEREAS, Government Code section 27297.6(a)(1)(a) authorizes the Registrar-Recorder/County Clerk to mail a notice of recordation to the party or parties executing a deed, quitclaim deed, and deed of trust within thirty days of the recordation; and

WHEREAS, Government Code section 27297.6(a)(1)(B) authorizes the Registrar-Recorder/County Clerk to mail a notice of recordation to the party or parties subject to a notice of default or notice of sale, including occupants of that property, within five days, but in any event no more than fourteen days, of recordation; and

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles authorizes:

(1) Registrar-Recorder/County Clerk to mail a notice of recordation to the party or parties executing a deed, quitclaim deed, and deed of trust within thirty days of the recordation.

(2) the Registrar-Recorder/County Clerk notify by mail the party or parties subject to a notice of default and notice of sale within five days, but in any event no more than fourteen days, of recordation.

BE IT FURTHER RESOLVED

If Government Code section 27297.6(a)(1)(B) is repealed by operation of law on January 1, 2020, it shall not affect the other authorizations of this resolution which will remain in effect.

The foregoing resolution was on the ____ day of _____ 2014, adopted by the Board of Supervisors of the County of Los Angeles, agencies, and authorities for which said Board so acts.

SACHI A. HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RICHARD D. WEISS
Acting County Counsel

By _____
LAURA T. JACOBSON
Senior Associate County Counsel
Government Services Division

LJ:ck